



Legislative Perspective

September 2004

Volume 12 Issue 3

Revenue Forecast Reflects Increase

The Division of Financial Management (DFM) has released a revised FY 2005 forecast of General Fund revenues reaffirming DFM's original forecast of 6.2% baseline growth in ongoing revenues. The forecast represents a \$33.6 million increase in baseline revenue over the figure the Legislature used in to set the FY 2005 budget (the Legislature based its figure on 5.4% baseline revenue growth). Although the percentage growth forecast of 6.2% does not represent an increase from DFM's January forecast, the 6.2% figure is now being calculated over a larger base, since FY 2004 revenues came in stronger than expected. In fact, FY 2004 finished with an ending balance of just over \$100 million, which is nearly \$28 million higher than the estimate at *Sine Die*. Overall, the ongoing baseline revenues increased about 5.9% over the previous year, as opposed to the 4.4% estimate upon which the budget was built.

With the revised revenue forecasts, the estimated ending balance for FY 2005 now stands at nearly \$117 million (minus any supplemental appropriations), as shown in the chart below.

Staff Contact: Jeff Youtz

Fiscal Year 2004		
Revenues:	<u>Sine Die Est.</u>	<u>Actual Year-End</u>
Beginning balance	\$ 15,745,000	\$ 15,745,000
FY 2004 Revenue Estimate		
Baseline revenue est. 4.4% (5.9% act)	1,814,810,900	1,840,473,900
Sales tax increase	170,460,000	171,637,000
Cigarette tax increase	22,150,000	21,540,500
Federal flexible grants	50,000,000	50,000,000
All other transfers & adjustments	(8,862,600)	(11,953,700)
Total revenues	\$2,064,303,300	\$2,087,442,700
Expenditures:		
General Fund Approp. (2.2% incr)	\$ 1,991,794,300	\$ 1,987,198,600
Estimated Ending balance	\$72,509,000	\$100,244,100
Fiscal Year 2005		
Revenues:	<u>Sine Die Est.</u>	<u>Adjusted Est.</u>
Beginning balance	\$72,509,000	\$100,244,100
Baseline revenue estimate (5.4%/6.2)	1,912,811,700	1,946,419,000
Sales tax increase	177,710,000	178,871,000
To Budget Stabilization Fund	(20,731,400)	(20,971,000)
All other transfers & adjustments	(5,631,200)	(500,000)
Total revenues	\$ 2,136,668,100	\$ 2,204,063,100
Expenditures:		
General Fund Approp. (4.5% incr.)	\$2,082,138,300	\$2,082,138,300
Temporary 1% salary increase		5,001,000
Total Expenditures		\$2,087,139,300
Estimated Ending balance	\$54,529,800	\$116,923,800

Interim Committee Activities

Public Transportation and Air Quality

The Public Transportation and Air Quality Interim Committee held its first meeting in Boise on August 3, 2004. The focus of the meeting was to inform the committee of the activities, previous legislation and proposals, studies, findings and new developments regarding public transportation and air quality.

Larry Falkner, Janet Weaver and Charles Rountree, Idaho Transportation Department, described ITD's responsibilities for oversight of Federal Transit Administration funds, their work with grantees on compliance and the specific uses of public transportation funds. More detailed information was provided on distribution of FTA funds over the past 10 years. ITD also reported on a survey of public transportation services in the state from which four principles and five priorities emerged. The committee also learned about the composition and initiatives of the Interagency Working Group.

General James Brooks, vice chairman of the Public Transportation Advisory Council (PTAC), gave a historical review of public transportation in Idaho, including recommendations of a 1991 interim committee that resulted in the enactment of current law, and various legislative proposals submitted after 1992 to provide funding at the state and local levels and to develop public transportation policy. General Brooks clarified that unlike highways and aeronautics, the state does not own any public transportation system or operate any public transportation services.

Roy Eiguren, legislative counsel for ValleyRide, summarized the findings of the 2003 Idaho Task Force on Public Transportation. Of the funding options identified, a personal property tax on vehicles using the assessed value is considered the most viable option. It appears that demand for public transportation services is uniform across the state and is not limited to urban areas. The needs vary and responses will necessarily be different, but funding and development should be on a local basis. In addition, four regions of the state are in the process of completing master planning projects; results will be available before the end of the year.

June Ramsdell, Department of Environmental Quality, discussed air quality and the designation of "non-attainment" or areas that do not meet federal standards for a regulated pollutant. Dust, wood burning and vehicle combustion are Idaho's primary pollutant sources, all of which are affected by local geographical features. Levels of air quality tend to vary with the seasons. Several potential mitigation measures were noted, including vapor recovery, emission testing programs, integration of air quality standards into land use decisions and support of transit development and planning.

Russ Hendricks, Idaho Farm Bureau, suggested that one of the best methods of reducing auto emissions is to use cleaner fuels. He provided information on studies that support the advantages of using ethanol, a product derived from agricultural residues, in gasoline. Ralph Groschen, Minnesota Department of Agriculture, described Minnesota's statewide ethanol program. After years of development, ethanol production has resulted in significant economic benefits to farmers, has improved air quality in the Twin Cities, has reduced the need for millions of gallons of foreign oil and has resulted in all gasoline being blended with 10 percent ethanol.

Dick Rush of the Idaho Association of Commerce and Industry addressed the issue from an industry perspective, then introduced Rob Sterling, environmental manager at Micron. The costs of non-attainment were described and possible solutions were offered, such as emission trading. It was noted that industrial emissions are highly regulated and are a diminishing source of meaningful reductions.

The next meeting of the committee is scheduled for September 14 in Boise.

Staff Contact: Maureen Ingram

The 2003 Idaho Task Force on Public Transportation found:

- ▶ of funding options identified, a personal property tax on vehicles using the assessed value is considered the most viable option;
- ▶ the demand for public transportation services is uniform across the state and is not limited to urban areas; and
- ▶ funding and development should be on a local basis.

Expanded Natural Resources Interim Committee

The Expanded Natural Resources Interim Committee has met monthly since its organizational meeting in April of this year. In addition, the five working groups formed by the larger committee, as well as the ESPA Water Management Study Group, have continued meeting in their respective regions of the state.

Since the last newsletter article relating to the committee, which was published in the June 2004 edition of *Legislative Perspective*, the committee met on July 7, August 5 and September 2. During the meeting in July, a presentation relating to the Swan Falls Agreement was made by key individuals involved in the agreement's formation and implementation, including Ken Dunn, former director of the Idaho Department of Water Resources; John Evans, governor of Idaho from January 1977 to January 1987; Jim Jones, former attorney general; James Bruce, former Idaho Power Company CEO; Ray Rigby, former chairman of Governor Evans' advisory committee; Pat Costello, former counsel for Governor Evans; Pat Kole, former deputy attorney general for Jim Jones; Roger Ling, attorney for Water Users; Kent Foster, attorney for Water Users; and Norm Young, former assistant director of the Idaho Department of Water Resources.

At the August 5 meeting, the committee received an update relating to the Business Assistance Grant Program by Jay Engstrom, Idaho Department of Commerce; an update relating to the Mountain Home Aquifer Working Group by IDWR staff; and an update relating to ground water model runs by Karl Dreher, director of the Idaho Department of Water Resources, and Donna Cosgrove, University of Idaho. The committee's September 2 agenda included discussions of the Swan Falls Agreement, proposed federal farm programs, efforts of cities to assist in ground and surface water management issues and challenges to the water rights administration.

After conducting an extensive fact-finding program throughout its various meetings, the committee will now be moving toward formulating proposed solutions for water supply and management issues facing the state. Additional meetings are scheduled for October 14 and, tentatively, November 18 and December 17.

Staff Contact: Katharine Gerrity

Guardianship and Conservatorship Interim Committee

The Guardianship and Conservatorship Interim Committee met August 10 in the Idaho Statehouse. Sarah Scott, Idaho Commission on Aging, presented information regarding fee structures for guardians and conservators in surrounding states and discussed research relating to offices of public guardians that have been implemented in other states. Bob Aldridge outlined a report on guardianship prepared by the U.S. Government Accountability Office (GAO) that was given to the chairman of the Special Committee on Aging of the U.S. Senate. Judge Chris Bieter discussed the guardianship caseload in Ada County and proposals to revise the current system.

Steve Scanlin, an attorney and professional guardian, also spoke to the committee regarding guardianship fees and existing problems in the system. Penny Fletcher, a volunteer for AARP who works with the Ada County Guardianship Mentoring Program, addressed the committee and suggested statutory revisions to ensure that wards in the guardianship system are protected.

The next meeting of the committee is scheduled for September 21 at 9:30 a.m. in the House Majority Caucus Room.

Staff Contact: Caralee Lambert

Extensive information about the Expanded Natural Resources Interim Committee, including meeting schedules and minutes, is available on the [Legislature's Web site](#), as well as on a [site created by the Dept. of Water Resources](#).

Committee on Energy

At a September 1 meeting, members of the Committee on Energy heard first from Roy Eiguren, representing Sempra Energy Resources, a company that is proposing to build a coal-fired merchant power plant near Glenns Ferry. The committee next discussed possible legislation and ways to encourage the siting of alternative energy resources in Idaho. At its next meeting, scheduled on October 13 in Boise, the committee will discuss three pieces of draft legislation that would provide a sales tax exemption, a production credit from the income tax and an investment tax credit from the income tax. Members will also discuss the need for siting legislation and some possible property tax problems with a wind farm in the Burley area.

Staff Contact Mike Nugent

JFAC to Meet September 20-22

The Joint Finance-Appropriations Committee will be holding its fall interim meeting in Eastern Idaho on September 20-22. Members will hear updates on the General Fund, supplemental appropriation requests for the Dept. of Health and Welfare and Dept. of Correction, the current water situation and the Dept. of Fish and Game fee increase proposal. Tours have been arranged for the Idaho Falls Center for Higher Education, Rexburg public schools, St. Anthony Adult Work Camp, North Fremont High School, Harriman State Park, Upper Mesa Falls, the Dept. of Energy Research Center and INEEL.

Staff Contact: Lisa Kauffman

Staff Update

Principal Budget & Policy Analyst **Ross Borden** has accepted the position of assistant budget director at Boise State University. Ross, a Magic Valley native and 10-year veteran with the Legislative Services Office, was responsible for colleges & universities, community colleges, and other higher education-related budgets. His career prior to Legislative Services included work with the Washington Legislature, the Idaho Tax Commission and even a stint as a JFAC intern. Ross also has the unique distinction of having provided key staff support to the post-census reapportionment process in two different states — in Washington after the 1990 census and in Idaho after the 2000 census. We all thank Ross for his years of service with us, and wish him success and good fortune in his future endeavors.

Membership of all interim committees, meeting minutes and a calendar of scheduled meetings are all available on the Legislature's Web site:

[Interim Committees](#)

[Legislative Calendar](#)

Legislative Audits Report

Legislative Audits is finishing fiscal year 2003 reports and has begun reports for fiscal year 2004. Recently released 2003 reports include Health Districts 1, 3, 4 and 5, the Division of Professional-Technical Education, the Board of Dentistry and the Public Utilities Commission. None of the reports contained any findings.

Legislative Audits welcomes three new staff members. **Kay Stilwell**, CPA, earned her accounting degree from Boise State University and has experience as an auditor and accountant with the state of Nevada and the Springfield Utility Board in Oregon. **Steve Hodnett** also received his degree from Boise State University. Steve previously worked for Hewlett-Packard and has expertise in both accounting and the IT environment. **Patrick Aggers** graduated from Idaho State University and brings experience as an accountant for private sector companies in both Utah and Idaho. Patrick has successfully passed the CPA exam and is now accumulating the hours necessary to become certified.

Legislative Audits is very proud that more than 50 percent of its auditors have earned their CPA credential – up dramatically from previous years. Of the current 25 auditors on staff, 13 are CPAs and one is also a certified fraud examiner. Three staff members have passed portions of the exam and will be testing on the remaining sections soon. Additionally, our IT systems coordinator earned his credentials as a certified information systems auditor (CISA) and a certified information security manager (CISM).

Staff Contact: Ray Ineck

Copies of all audit reports are available upon request to Legislative Audits by calling 334-4832. Executive summaries of audit reports for fiscal years 2000 through 2003 are available on the Legislature's Web site:

[Executive Audit Summaries](#)

Proposed Administrative Rules

Arts, Idaho Commission on the

40.01.01 Arts Commission/Internal Mgmt & Grant Programs

Agriculture, Department of

02.01.04 Preferred TM Promotion Program Requirements
 02.03.01 Pesticide Mgmt Plans for Ground Water Protection
 02.04.06 Requirements for Licensed Dairy Plants
 02.04.07 Grade A Condensed/Dry Milk & Whey Products
 02.04.07 Grade A Condensed/Dry Milk & Whey Products
 02.04.08 Grade A Milk & Milk Products
 02.04.09 Methods - Sanitation Ratings/Milk Shipper
 02.04.10 Cooperative Public Health/FDA Program/Cert. Milk
 02.04.12 Standards/Fabrication/Containers/Closures - Milk
 02.04.19 Rules Governing Domestic Cervidae
 02.04.25 Private Feeding of Big Game Animals
 02.06.01 Administrative Fee/Test Results
 02.06.01 Pure Seed Law/Admin Fee - Track Samples, Net
 02.06.02 Idaho Commercial Feed Law/Temp. & Proposed
 02.06.02 Idaho Commercial Feed Law/Proposed
 02.06.12 Idaho Fertilizer Law/Adopts 2005 Edition AAPFCO
 02.06.12 Specialty Fertilizers/Civil Penalty
 02.06.26 Seed Potato Crop Mgmt. Area Boundaries
 02.06.41 Id. Soil & Plant Amendment Act of 2001/Proposed
 02.06.41 Idaho Soil & Plant Amendment Act of 2001

Beef Council, Idaho

51.01.01 Updates Beef Council address/logo/outdated info

Building Safety, Division of

07.01.06 Use of National Electrical Code
 07.02.03 Rules Governing Permit Fee Schedule
 07.02.07 Civil Penalties/Appeals Process/Plumbing Board

Certified Shorthand Reporters Board

49.01.01 Procedure/update address/contact info/require

Commerce and Labor, Department of

09.01.30 Benefits Bureau/Holiday Pay
 09.01.30 Benefits Bureau/Electronic Signatures
 09.01.35 Employer Accts Bureau/PEO Experience Rate
 09.01.35 Employer Accts Bureau/"Good Cause" Waiver
 09.02.04 Gem Grant Prog/Makes Funds More Accessible

Education, State Board of

08.02.02 Uniformity/Standards - School Buses & Operations
 08.02.02 Uniformity/Commercial Driving/Pub School Manual
 08.02.02 Uniformity/Driver Education & Training Programs
 08.02.02 Uniformity/State Accreditation Standards
 08.02.02 Uniformity/Teacher Prep Program
 08.02.02 Uniformity/Improve Prof. Teacher Standards
 08.02.03 Thoroughness/Distinguished Schools/Awards
 08.02.04 Charter Schools/SB #1444a/Chapter Rewrite
 08.02.04 Charter Schools/Senate Bill #1444a
 08.03.01 Charter School Commission/Guidance/Oversight

Environmental Quality, Department of

58.01.01 Air Pollution Control/Update, Modernize, Clarify
 58.01.08 Idaho Rules for Public Drinking Water Systems

Finance, Department of

12.01.08 Uniform Securities Act of 2004
 12.01.08 Rules Pursuant to Uniform Securities Act of 2004

Fish and Game, Department of

13.01.02 Public Safety/Hunter Education Prog Requirement
 13.01.04 Rules Governing Licensing
 13.01.06 Classification/Protection of Wildlife
 13.01.07 Proclamation/Upland Game Seasons
 13.01.07 Taking of Upland Game Animals
 13.01.08 Taking of Big Game Animals/Seasons & Rules
 13.01.08 Proclamation/Big Game Seasons
 13.01.09 Proclamation/Game Birds Seasons
 13.01.09 Taking of Game Birds
 13.01.11 Rules Governing Fish/Chinook
 13.01.11 Proclamation/Fishing Seasons
 13.01.12 Commercial Fishing/Nets to Take Lake Trout
 13.01.13 Taking of Migratory Birds
 13.01.13 Proclamation/Migratory Bird Seasons
 13.01.14 Falconry in the State of Idaho
 13.01.14 Proclamation/Falconry Seasons
 13.01.16 Proclam/Furbearer/Predators/Unprotected Species
 13.01.16 Trapping/Predatory/Unprotect Wildlife/Furbearing
 13.01.19 Proof of Residency/License Buyer/Vendor

Geologists, Board of Registration for Professional

14.01.01 Procedure/Update physical address

Governor, Office of the

15.01.01 Rules Governing Senior Services Program
 15.01.02 Area Agency Adult Protection Programs

Health and Welfare, Department of

16.02.01 Health Prof Loan Repay Program Repealed
 16.02.15 Immunization Requirements/School Children
 16.02.26 Idaho Children's Special Health Program
 16.03.09 Med Assist Program/Criminal History Checks
 16.03.09 Med Assist Prog/Reim/Home Health Agencies
 16.03.09 Med Assist Prog/Reim Medicaid/Ambulances
 16.03.09 Med Assist Prog/Annual Review Nursing Facility
 16.03.09 Med Assist Program/Service Coordination
 16.03.10 Medicaid Reimburse Nursing Home Providers
 16.03.10 Medicaid Reimburse Audit of Providers Repeal
 16.03.11 Intermediate Care Facility for Mentally Retarded
 16.03.17 Service Coordination/Service Plan Time Line
 16.03.22 Residential/Assisted Living Liability Insurance
 16.04.11 Developmental Spec/Infant Toddler Program
 16.04.11 Developmental Disabilities/Service Coordination
 16.04.17 Residential Habilitation Agencies
 16.06.12 ID Child Care Program (ICCP) Rewrite
 16.06.12 ID Child Care Program (ICCP) Chapter Repeal

Industrial Commission

17.06.02 Boiler & Pressure Vessel Safety Rules/Admin
 17.07.01 Safety Insp Elevators/Escalators/Moving Walkways

Insurance, Department of

18.01.50 Adopt International Fire Code Modifications
 18.01.56 Update of Fair Trade Practice Standards

Juvenile Corrections, Department of

05.01.01 Rules for Contract Providers
 05.01.03 Rules of the Custody Review Board
 05.01.04 Uniform Standards - Juvenile Probation Services

Nursing, Board of

23.01.01 Criminal Background Checks/APPN Licensure

Occupational Licenses, Bureau of

24.02.01 Board of Barber Examiners
 24.06.01 Board of Hearing Aid Dealers & Fitters
 24.07.01 Board of Landscape Architects
 24.09.01 Board of Examiners - Nursing Home Administrators
 24.12.01 Board of Psychologist Examiners
 24.14.01 Board of Social Work Examiners
 24.15.01 Board of Counselors, Marriage & Family Therapists
 24.16.01 State Board of Dentistry
 24.17.01 Board of Architectural Examiners
 24.17.01 Board of Acupuncture
 24.18.01 Board of Real Estate Appraisers
 24.19.01 Bd of Examiners/Residential Care Facility Admin
 24.21.01 Fees/Bd Drinking Water/Wastewater Professionals

Pharmacy, Board of

27.01.01 Pharmacy Standards of Conduct/Investigations
 27.01.01 Ephedrine Products Through Prescription Only
 27.01.01 Extends Expiration Date of Prescription Orders
 27.01.01 Pilot Projects/Teleconference to Rural Facilities

Public Utilities Commission

31.11.01 Fed Safety Regs/Natural Gas Utilities & Pipelines
 31.21.01 Utility Customer Relations Rules
 31.41.01 Telephone Customer Relations Rules

Secretary of State

34.03.01 Rules Implementing the Sunshine Law

Sexual Offender Classification Board

57.01.01 Rules Governing Sexual Offender Classification Bd

State Police, Idaho

11.11.01 Idaho Peace Officer Standards & Training

Tax Appeals, Board of

36.01.01 Idaho Board of Tax Appeals Rules

Tax Commission, Idaho

35.01.06 Travel & Convention Sales Tax Defined
 35.01.10 Cigarettes Made by Mfg Not on AG's Directory
 35.01.11 Documents/Unclaimed Property by Heirs

Transportation Department, Idaho

39.03.06 Width of Recreational Vehicles

Staff Contact: Charmi Arregui

Legislative Perspective

An Internet Newsletter —

Legislative Services Office
 Idaho State Legislature
 State Capitol - Room 108
 P.O. Box 83720
 Boise, Idaho 83720-0054

Phone: 208/334-2475

Fax: 208/334-2125

URL: www.state.id.us/legislat